

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
November 6, 2012

Chairman Boyd called the meeting to order at 10:10 a.m.

Board Members present were as follows:

James Boyd	Hilda Fernandez	
	Warren Green	Ray Horday
Richard McKinnon	Jonathan Sinkes	
Members absent -	Patricia Walker	Carla Gomez
	Jorge Gomez	

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Administrator
Duane Knecht	Property Management Supervisor
Bill Cottle	Fund Consultant, Milliman Inc.
Zander Grant	Investment Manager, Wellington Mngmnt.

CONSENT AGENDA

A motion was made by Mr. McKinnon duly seconded by Ms. Fernandez, and with all in favor it was unanimously

RESOLVED that the consent agenda be approved as
presented.

C-1 The Minutes of the October 16, 2012 board meeting were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>DOH</u>
Joshea Mark	18176	Financial Analyst I	Uncl	10/17/2012
Lia Ramos	20091	Financial Analyst I	Uncl	9/25/2012
Margarita Wells	20118	Environmental Specialist	Uncl	10/1/2012
Gary Shimminger	20121	Police Captain	Uncl	10/1/2012

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Guillermo Baez	11/01/2012	Ordinary Serv. Ret.	\$ 2,979.73

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C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of</u>	<u>Ret. Type</u>	<u>Dependent</u>	<u>Amount</u>
		50%	upon	
			Jose	
Delfina Vargas	7/01/2012	Contin.	Vargas	\$3,358.94

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation</u>	<u>Amount</u>	<u>Reason</u>
	<u>Date</u>		
Mariu Emmons	11/09/2012	\$ 25,089.03	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows

<u>NAME</u>	<u>DATE</u>	<u>YEAR</u>	<u>HOURS</u>	<u>CASH</u>	<u>Total</u>	<u>Buyback</u>
		<u>PURCHASED</u>	<u>USED</u>	<u>USED</u>	<u>Buyback \$</u>	<u>Type</u>
ARIELLE GUERRIER	10/26/2012	0.51	99.23	\$-	\$ 2,287.25	Prob.
JOHN RAMIREZ	10/25/2012	0.47	91.14	\$-	\$ 2,435.07	Prob.

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>Employee Name</u>	<u>Private</u>	<u>Prior</u>	<u>Prior</u>	<u>Cred. Service</u>
	<u>Sector</u>	<u>Military</u>	<u>Gov't</u>	<u>Applying for</u>
ECHO CHANDLER HERMAN	x			2.0
SANDRA MEYER	x			1.0
MARTIN QUINTANILLA	x			2.0
RODNEY MADISON	x			2.0
HERMINIA C. PEREZ	x			2.0
JORGE HERNANDEZ	x			2.0
RIANNE THOMAS	x			2.0
JUAN CARLOS HERNANDEZ			x	2.0
FRANCIS RODRIGUEZ	x			2.0
ROBERT LEE			x	2.0
ANDREW LINDBERG			x	1.0
JOSE NOBORIKAWA		x		2.0
LUIS MOJICAR	x			2.0
NADLET MARTINEZ	x			2.0

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C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective</u>		<u>Estimated Monthly Benefit</u>	<u>Last DROP Pmt.</u>
Luz Alonso	11/01/2012	\$	5,297.04	10/01/2015

**C-10 Lump Sum Refunds Paid since the last meeting
were approved as follows -**

<u>DATE</u>	<u>NAME</u>	<u>CK#</u>	<u>AMOUNT</u>
10/16/2012	Lump Sum- Ramon Vasallo	113488	\$65,380.26
10/16/2012	945 Tax Deposit - Ramon Vasallo	xxxx	\$13,076.05
10/19/2012	Lump Sum- Vanessa Bryant	113503	\$11,236.28
10/19/2012	945 Tax Deposit- Vanessa Bryant	xxxx	\$ 2,247.26
10/19/2012	Lump Sum- Yelitza Leon	113504	\$12,479.99
10/19/2012	945 Tax Deposit- Yelitza Leon	xxxx	\$ 2,496.00
	Lump Sum- Timothy Finch -IRA		
10/19/2012	Rollover	113505	\$11,090.81

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

ADMINISTRATIVE EXPENSES

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of November \$ 5,000.00

Holland & Knight- Pension Compliance Review

Per inv# 2828378 \$ 225.00

Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of November \$ 350.00

Auditors

Goldstein Schechter Koch- Auditors

Progress bill for period ended 9/30/12 \$ 1,500.00

Office, etc.

Copier - Sharp

Monthly copier fees per inv.# 6745166722 \$ 151.30

Office Supplies- Office Depot

Per inv.# 629289507001 \$ 202.52

Storage - IDD

Monthly storage fee per inv.# 0072152 \$ 49.13

Office Maintenance- Shred It

Shredding Services per inv.# 9400915877 \$ 60.50

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Investment Consultant Fees

Investment Management Fees- Rhumblin

Investment Fees for Quarter Ending 9/30/12 Inv.#gmbeach2012Q3	\$	15,972.00
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Investment Management Fees- Rhumblin

Investment Fees for Quarter Ending 9/30/12 Inv.#mbgadr2012Q3	\$	3,750.00
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Investment Management Fees- ICC Capital Management

Investment Advisory Fees for Quarter Ending 12/31/12 inv.# 57532727	\$	43,552.42
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Custody Fees

Custodian Fees- Fiduciary Trust

Quarterly Fee 9/30/12	\$	8,927.37
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Conv/Seminars/Dues/Etc

(1) Conf. & Edu- IFEBP annual conference San Diego, CA

Registration fee for Warren Green + hotel deposit	\$	1,880.00
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(2) Dues & Membership- NCPERS

2013 Annual Membership Fee	\$	225.00
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(3) Dues & Membership- IFEBP

2013 Annual Membership Fee	\$	980.00
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(4) Dues & Membership - FPPTA

2013 Annual Membership Fee	\$	600.00
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(5) Conference & Education – IFEBP annual conference San Diego, CA

Travel expense reimbursement for Warren Green	\$	464.00
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REGULAR AGENDA

R-1 Deferred Items - (None)

R-2 New Items -

A. Pension office carpet cost - Duane Knecht, Property Management Supervisor, stated that after seeing the condition of the pension office carpet last year he had offered to replace it at no cost. He said that after the carpet installation he was advised that the pension office should be responsible for the cost of the carpet.

The Administrator went over the email on page 74 of the agenda sent from himself to Mr. Knecht. In the email the Administrator requested that Mr. Knecht provide a cost for the carpet prior to installation if the carpet was not going to be installed at no cost to the pension office. He said that Mr. Knecht had not replied to his email and the carpet had been installed.

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Ms. Fernandez felt the cost of the carpet & installation was too high and further felt that the City should share in the cost of the carpet since the pension office conference room is a public meeting room. A discussion ensued. Mr. Knecht was requested to provide a breakdown of the total cost of the carpet to the Board at next month's board meeting. No action was taken.

- B. Investment in Real Estate by Jonathan Sinkes - Mr. Sinkes wondered if now was the right time for the Fund to initiate an investment in the real estate asset class. If so, he asked what kind of real estate investment was most appropriate. Mr. Cottle reviewed another institutional client's recent real estate performance. He said that he felt that a large open end fund is probably the most appropriate type of real estate investment for this Plan. He said that he would provide the Board a written review and opinion of the proposed asset class at a future board meeting.
- C. Investment in private equity fund of funds and clean energy infrastructure funds by Warren Green - Mr. Cottle said that he would provide the board with background information on this type of investment.
- D. Investment strategy for sharp stock market decline - Mr. McKinnon briefly described an index overlay product he had been made aware of. Mr. Cottle said that he was familiar with this type of investment because one of his client's is currently running a manager search for an index overlay product. He said that he would provide the Board a written review of the proposed type of investment.

R-3 Other Business

- A. The Administrator's Report - The Administrator reported that the external audit and actuarial data compiling were under way. The Administrator said the Mr. Cypen's office was reviewing PIMCO's investment advisory agreement and that he would fund the account as soon as the contract was approved by legal counsel and executed by the Chairman.

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R-4 Investment Reports

- A. Fund Consultant's Report - Mr. Cottle went over his quarterly fund performance report. He said that the Fund's fiscal year-to-date investment return had been 20.5%. He said that the Fund's fiscal year performance ranked in the top 5th quartile of the Milliman's universe. Mr. Cottle reviewed the actual asset allocation, investment manager performance and total fund risk/reward versus the Universe from Milliman's quarterly report.
- B. Fixed income manager report - Mr. Zander Grant of Wellington Management presented his quarterly investment manager report.

R-5 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Ms. Fernandez and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:05 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary